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SOVIET INTENTIONS AND FREE WORLD RECEPTIVITY

Soviet effort launched early last year.

Soviet leader told Asian diplomat in July 1954 that it would not be long before Soviet industry would be strong enough to contribute to the development of Asian countries.

Khrushchev reaffirmed this intention to same diplomat in April 1955.

Scope of future Soviet effort forecast in October 1955 by Soviet ambassador to Cairo.

"We will send economic missions, scientific missions, agricultural missions...and any kind of mission you can imagine to these countries."

Moscow has

planned coordinated effort to seize

17 ~~its~~ role in economic development in

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For example, Communist China has

imported unwanted goods and exported scarce items. In their deal with Egypt, Peiping is exchanging 60,000 tons of sheet steel and wheat (which Peiping needs) for cotton (which it does not need).

11. A good number of target countries--have-not nations which are politically and economically adolescent--welcome the Communist approach, especially when other sources of external aid appear to be drying

As commercial or economic deals on their own, the Communist offers are generous and the terms are easy.

Some deals open markets for countries with unsalable surpluses. For example, Egyptian cotton.

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C. Deals with Communist nations are politically attractive.

1. Governments can see no visible strings. They are not asked for political or military commitments.

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IV. These Communist efforts in the free world are above and beyond their massive commitments to Communist China and satellites.

A. USSR has extended credits worth \$430 million to Communist China.

B. Poland and East Germany have received \$700 million in credits.

1. Large amounts are still outstanding on these credits.

C. These credits do not include a Soviet gift of \$100 million and a Chinese gift of \$340 million to North Korea.

D. Nor does any of this include military and economic aid from the USSR to China estimated at between \$500 million and \$1 billion.

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